

House File 564 - Introduced

HOUSE FILE 564
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO HSB 178)

A BILL FOR

1 An Act relating to school district funding and authorized
2 expenditures and transfers and including effective date and
3 applicability provisions.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

PROFESSIONAL DEVELOPMENT

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2
3 Section 1. Section 284.6, subsections 8 and 9, Code 2017,
4 are amended to read as follows:

5 8. For each year in which a school district receives funds
6 calculated and paid to school districts for professional
7 development pursuant to [section 257.10, subsection 10](#), or
8 [section 257.37A, subsection 2](#), the school district shall
9 create quality professional development opportunities. Not
10 less than thirty-six hours in the school calendar, held
11 outside of the minimum school day, shall be set aside during
12 nonpreparation time or designated professional development
13 time to allow practitioners to collaborate with each other to
14 deliver educational programs and assess student learning, or
15 to engage in peer review pursuant to [section 284.8, subsection](#)
16 [1](#). The funds may be used to implement the professional
17 development provisions of the teacher career paths and
18 leadership roles specified in [section 284.15](#), including but
19 not limited to providing professional development to teachers,
20 including additional salaries for time beyond the normal
21 negotiated agreement; pay for substitute teachers, professional
22 development materials, speakers, and professional development
23 content; textbooks and curriculum materials used for classroom
24 purposes if such textbooks and curriculum materials include
25 professional development; administering assessments pursuant to
26 section 256.7, subsection 21, paragraph "b", subparagraphs (1)
27 and (2), if such assessments include professional development;
28 and costs associated with implementing the individual
29 professional development plans. The use of the funds shall
30 be balanced between school district, attendance center,
31 and individual professional development plans, making every
32 reasonable effort to provide equal access to all teachers.

33 9. Moneys received pursuant to [section 257.10, subsection](#)
34 [10](#), or [section 257.37A, subsection 2](#), shall be maintained
35 as a separate listing within a school district's or area

1 education agency's budget for funds received and expenditures
2 made pursuant to [this subsection](#). The department shall not
3 require a school district or area education agency to allocate
4 a specific amount or percentage of moneys received pursuant to
5 section 257.10, subsection 10, or section 257.37A, subsection
6 2, for professional development related to implementation of
7 the core curriculum under section 256.7, subsection 26. A
8 school district shall certify to the department of education
9 how the school district allocated the funds and that moneys
10 received under [this subsection](#) were used to supplement, not
11 supplant, the professional development opportunities the school
12 district would otherwise make available.

13 Sec. 2. EFFECTIVE UPON ENACTMENT. This division of this
14 Act, being deemed of immediate importance, takes effect upon
15 enactment.

16 Sec. 3. APPLICABILITY. This division of this Act applies to
17 school budget years beginning on or after July 1, 2017.

18 DIVISION II

19 AT-RISK AND DROPOUT PREVENTION

20 Sec. 4. Section 257.11, subsection 4, paragraph d, Code
21 2017, is amended to read as follows:

22 ~~d. Up to five percent of the total amount~~ Amounts that a
23 school district receives as supplementary weighting pursuant
24 to [this subsection](#) or as a modified supplemental amount
25 received under [section 257.41](#) may be used in the budget year
26 for purposes of providing district-wide, ~~or~~ building-wide,
27 or grade-specific at-risk and dropout prevention programming
28 targeted to pupils who are not deemed at risk.

29 Sec. 5. Section 257.41, subsection 2, paragraphs a and b,
30 Code 2017, are amended to read as follows:

31 *a.* Salary and benefits for instructional staff,
32 instructional support staff, guidance counselors, and
33 school-based youth services staff who are working with
34 students who are participating in at-risk or dropout prevention
35 programs, alternative programs, and alternative schools, in a

1 traditional or alternative setting, if the staff person's or
 2 counselor's time is dedicated to working with such students in
 3 order to provide services beyond those which are provided by
 4 the school district to students who are not participating in
 5 such programs or alternative schools. However, if the staff
 6 person or counselor works part-time with students who are
 7 participating in a program or alternative school and the staff
 8 person or counselor has another unrelated staff assignment,
 9 only the portion of the staff person's or counselor's time
 10 that is related to the program or alternative school may
 11 be charged to the program or school. For each such staff
 12 person or counselor who works part time with students who
 13 are participating in a program or alternative school, the
 14 school district shall have the authority to designate the
 15 portion of the staff person's or counselor's time and the
 16 corresponding amount of salary and benefits that is related
 17 to the program or alternative school and shall include
 18 such designation as part of the program plan under section
 19 257.38, if applicable. For purposes of this paragraph, if
 20 an alternative setting is necessary to provide for a program
 21 which is offered at a location off school grounds and which
 22 is intended to serve student needs by improving relationships
 23 and connections to school, decreasing truancy and tardiness,
 24 providing opportunities for course credit recovery, or helping
 25 students identified as at risk to accelerate through multiple
 26 grade levels of achievement within a shortened time frame, the
 27 tuition costs for a student identified as at risk shall be
 28 considered an appropriate use of the program funding under this
 29 section.

30 *b.* Professional development for all teachers, counselors,
 31 and staff working with at-risk students under a program or an
 32 alternative school setting.

33 Sec. 6. Section 257.41, subsection 2, Code 2017, is amended
 34 by adding the following new paragraphs:

35 NEW PARAGRAPH. *d.* Costs incurred for a program intended

1 to address high rates of absenteeism, truancy, or frequent
2 tardiness.

3 NEW PARAGRAPH. *e.* Costs incurred for programs authorized
4 under section 257.11, subsection 4, paragraph "d".

5 Sec. 7. EFFECTIVE UPON ENACTMENT. This division of this
6 Act, being deemed of immediate importance, takes effect upon
7 enactment.

8 Sec. 8. APPLICABILITY. This division of this Act applies to
9 school budget years beginning on or after July 1, 2017.

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DIVISION III

11

SCHOOL DISTRICT FLEXIBILITY

12 Sec. 9. Section 257.10, Code 2017, is amended by adding the
13 following new subsection:

14 NEW SUBSECTION. 13. *Deference to school districts.*

15 *a.* When exercising authority to carry out an agency
16 action, as defined in section 17A.2, or to perform an activity
17 or make a decision specified in section 17A.2, subsection
18 11, paragraphs "a" through "l", if applicable, related to
19 the provisions of subsections 9, 10, and 11, including the
20 expenditure of funds received by school districts under
21 subsections 9, 10, and 11, the department of education, the
22 director of the department of education, and the state board
23 of education shall carry out, perform, or make such agency
24 action, activity, or decision in a manner that gives deference
25 to decisions of school districts' boards of directors, promotes
26 flexibility for school districts, and minimizes intrusions into
27 school district operations and decision making by boards of
28 directors.

29 *b.* (1) In addition to paragraph "a", the department of
30 education, the director of the department of education, and
31 the state board of education shall not issue guidance related
32 to the provisions of subsections 9, 10, and 11, including
33 the expenditure of funds received by a school district under
34 subsections 9, 10, and 11, that is inconsistent with any
35 statute, rule, or other legal authority or that imposes any

1 legally binding obligations or duties upon any person unless
2 such legally binding obligations or duties are required
3 or reasonably implied by any statute, rule, or other legal
4 authority. Guidance issued in violation of this paragraph "b"
5 shall not be deemed to be legally binding.

6 (2) For the purposes of this paragraph "b", "guidance" means
7 a document or statement issued by the department of education,
8 the director of the department of education, or the state
9 board of education that purports to interpret a law, a rule,
10 or other legal authority and is designed to provide advice
11 or direction to a person regarding the implementation of or
12 compliance with the law, the rule, or the other legal authority
13 being interpreted. "Guidance" does not include any action,
14 activity, or decision governed by paragraph "a", a document or
15 statement required by federal law or a court, or a document or
16 statement issued in the course of a contested case proceeding,
17 an administrative proceeding, or a judicial proceeding to which
18 the department, the state board, or the director is a party.

19 Sec. 10. EFFECTIVE UPON ENACTMENT. This division of this
20 Act, being deemed of immediate importance, takes effect upon
21 enactment.

22 Sec. 11. APPLICABILITY. This division of this Act applies
23 to school budget years beginning on or after July 1, 2017.

24 DIVISION IV

25 PRESCHOOL PROGRAM

26 Sec. 12. Section 256C.4, subsection 1, paragraph e, Code
27 2017, is amended to read as follows:

28 e. Preschool foundation aid funding shall not be used for
29 the costs of constructing a facility in connection with an
30 approved local program. Preschool foundation aid funding may
31 be used by approved local programs and community providers
32 for any purpose determined by the board of directors of the
33 school district to meet standards for high-quality preschool
34 instruction and for purposes that directly or indirectly
35 benefit students enrolled in the approved local program,

1 including but not limited to professional development for
2 preschool teachers, ~~for~~ instructional equipment and supplies,
3 ~~for~~ material and equipment designed to develop pupils' large
4 and small motor skills, translation services, playground
5 equipment and repair costs, food and beverages used by children
6 in the approved local program, facility rental fees, and for
7 other direct costs that enhance the approved local program,
8 including by contracting with community partners for any
9 such services. Preschool foundation aid funding may be used
10 by approved local programs for the costs of transportation
11 involving children participating in the preschool program.
12 The costs of transporting other children associated with the
13 preschool program or transported as provided in section 256C.3,
14 subsection 3, paragraph "h", may be prorated by the school
15 district. Preschool foundation aid funding received by an
16 approved local program that remain unexpended or unobligated
17 at the end of a fiscal year shall be used to build the approved
18 local program's preschool program capacity in the next
19 succeeding fiscal year.

20 Sec. 13. EFFECTIVE UPON ENACTMENT. This division of this
21 Act, being deemed of immediate importance, takes effect upon
22 enactment.

23 Sec. 14. APPLICABILITY. This division of this Act applies
24 to school budget years beginning on or after July 1, 2017.

25 DIVISION V

26 PHYSICAL PLANT AND EQUIPMENT LEVY

27 Sec. 15. Section 298.3, subsection 1, paragraph i, Code
28 2017, is amended to read as follows:

29 *i.* The purchase of transportation equipment for
30 transporting students and the repair of such transportation
31 equipment ~~if the cost of the repair exceeds two thousand five~~
32 ~~hundred dollars.~~ For the purposes of this paragraph, "repair"
33 means restoring an existing item of equipment to its original
34 condition, as near as may be, after gradual obsolescence or
35 physical and functional depreciation due to wear and tear,

1 corrosion and decay, or partial destruction, and includes
2 maintenance of an item of equipment.

3 Sec. 16. EFFECTIVE UPON ENACTMENT. This division of this
4 Act, being deemed of immediate importance, takes effect upon
5 enactment.

6 Sec. 17. APPLICABILITY. This division of this Act applies
7 to school budget years beginning on or after July 1, 2017.

8 DIVISION VI

9 GIFTED AND TALENTED PROGRAMS

10 Sec. 18. Section 257.43, Code 2017, is amended by adding the
11 following new subsection:

12 NEW SUBSECTION. 7A. Proposed expenditures for the purposes
13 authorized in section 257.46, subsection 2A.

14 Sec. 19. Section 257.46, Code 2017, is amended by adding the
15 following new subsection:

16 NEW SUBSECTION. 2A. For budget years beginning on or
17 after July 1, 2017, if the program goals, objectives, and
18 needs of gifted and talented children are satisfied, the
19 budget of an approved gifted and talented children program
20 may include expenditures and purposes that provide gifted and
21 talented programming or activities to those pupils who are not
22 identified as gifted and talented.

23 Sec. 20. EFFECTIVE UPON ENACTMENT. This division of this
24 Act, being deemed of immediate importance, takes effect upon
25 enactment.

26 DIVISION VII

27 STUDENT ACTIVITY FUND

28 Sec. 21. Section 298A.8, Code 2017, is amended to read as
29 follows:

30 **298A.8 Student activity fund.**

31 1. The student activity fund is a special revenue fund.
32 A student activity fund must be established in any school
33 corporation receiving money from student-related activities
34 such as admissions, activity fees, student dues, student
35 fund-raising events, or other student-related cocurricular or

1 extracurricular activities. Moneys in this fund shall be used
2 to support only the cocurricular program defined in department
3 of education administrative rules.

4 2. For school budget years beginning on or after July 1,
5 2017, the board of directors of a school corporation may,
6 by board resolution, transfer from the school corporation's
7 general fund to the student activity fund an amount necessary
8 to purchase protective and safety equipment required for any
9 extracurricular interscholastic athletic contest or competition
10 that is sponsored or administered by an organization as defined
11 in section 280.13.

12 Sec. 22. EFFECTIVE UPON ENACTMENT. This division of this
13 Act, being deemed of immediate importance, takes effect upon
14 enactment.

15 EXPLANATION

16 The inclusion of this explanation does not constitute agreement with
17 the explanation's substance by the members of the general assembly.

18 This bill relates to school district funding and authorized
19 expenditures.

20 Division I of the bill relates to the list of purposes for
21 which school districts and area education agencies may expend
22 funds that are calculated and paid to school districts and
23 area education agencies as supplemental aid for professional
24 development under the state school foundation program.

25 Currently, the funds received must be used to implement
26 the professional development provisions of the teacher
27 career paths and leadership roles specified in Code section
28 284.15. To the list of permissible professional development
29 expenditures currently in statute, the bill adds textbooks
30 and curriculum materials used for classroom purposes if
31 such textbooks and curriculum materials include professional
32 development and administering assessments pursuant to Code
33 section 256.7(21)(b)(1) and (2), if such assessments include
34 professional development.

35 The bill also prohibits the department of education from

1 requiring a school district or area education agency to
2 allocate a specific amount or percentage of professional
3 development moneys for professional development related to
4 implementation of the core curriculum.

5 Division I of the bill takes effect upon enactment and
6 applies to school budget years beginning on or after July 1,
7 2017.

8 Division II of the bill removes the 5-percent limit on the
9 amount of at-risk funding that a school district may use for
10 purposes of providing district-wide or building-wide at-risk
11 and dropout prevention programming targeted to pupils who are
12 not deemed at risk and authorizes such programming that is
13 grade-specific. The bill also adds guidance counselors to
14 the list of staff for which salary and benefits may be paid
15 with at-risk and dropout prevention program funding and adds
16 programs to address high rates of absenteeism, truancy, or
17 frequent tardiness to the list of authorized expenditures.

18 Division II of the bill takes effect upon enactment and
19 applies to school budget years beginning on or after July 1,
20 2017.

21 Division III of the bill provides that when exercising
22 authority to carry out an agency action, activity, or decision
23 related to categorical funding under the teacher salary
24 supplement, the professional development supplement, and the
25 early intervention supplement, the department of education, the
26 director of the department of education, and the state board
27 of education are required to engage in such agency action,
28 activity, or decision in a manner that gives deference to
29 decisions of a school district's board of directors, promotes
30 flexibility for school districts, and minimizes intrusions into
31 school district operations and decision making of boards of
32 directors. In addition, the bill provides that the department
33 of education, the director of the department of education, and
34 the state board of education shall not issue guidance regarding
35 such categorical funding supplements that is inconsistent with

1 any statute, rule, or other legal authority or that imposes
2 any legally binding obligations or duties upon any person
3 unless such legally binding obligations or duties are required
4 or reasonably implied by any statute, rule, or other legal
5 authority. Guidance issued in violation of division III of the
6 bill shall not be deemed to be legally binding.

7 Division III of the bill takes effect upon enactment and
8 applies to school budget years beginning on or after July 1,
9 2017.

10 Division IV of the bill specifies that preschool foundation
11 aid funding may be used by approved local programs and
12 community providers for any purpose determined by the board
13 of directors of the school district to meet standards for
14 high-quality preschool instruction and for purposes that
15 directly or indirectly benefit students enrolled in the
16 approved local program, instructional supplies, translation
17 services, playground equipment and repair costs, food and
18 beverages used by children in the approved local program,
19 facility rental fees, and for other direct costs that enhance
20 the approved local program, including by contracting with
21 community partners for any such services.

22 Division IV of the bill takes effect upon enactment and
23 applies to school budget years beginning on or after July 1,
24 2017.

25 Current Code section 298.3 authorizes school districts to
26 use physical plant and equipment levy revenues for the repair
27 of transportation equipment if the cost of the repair exceeds
28 \$2,500. Division V of the bill removes the \$2,500 repair cost
29 limitation.

30 Division V of the bill takes effect upon enactment and
31 applies to school budget years beginning on or after July 1,
32 2017.

33 Current Code sections 257.42 through 257.46 establish
34 requirements and funding for gifted and talented programs
35 established by school districts. Division VI of the bill

1 provides that for budget years beginning on or after July 1,
2 2017, if the program goals, objectives, and needs of gifted
3 and talented children are satisfied, the budget of an approved
4 gifted and talented children program may include expenditures
5 and purposes that provide district-wide or building-wide gifted
6 and talented programming or activities to those pupils who are
7 not identified as gifted and talented. The bill also requires
8 the gifted and talented program plans submitted by each school
9 district to the department of education to include information
10 on the additional types of expenditures authorized in the bill.

11 Division VI takes effect upon enactment.

12 Current Code section 298A.8 requires a student activity
13 fund to be established in any school corporation receiving
14 moneys from student-related activities such as admissions,
15 activity fees, student dues, student fund-raising events,
16 or other student-related cocurricular or extracurricular
17 activities. Moneys in the student activity fund must be used
18 to support only the cocurricular program defined in department
19 of education administrative rules.

20 Under division VII of the bill, for school budget years
21 beginning on or after July 1, 2017, the board of directors of a
22 school corporation may, by board resolution, transfer from the
23 school corporation's general fund to the student activity fund
24 an amount necessary to purchase protective and safety equipment
25 required for any extracurricular interscholastic athletic
26 contest or competition that is sponsored or administered by an
27 organization as defined in Code section 280.13.

28 Division VII of the bill takes effect upon enactment.